



**RBA: PeopleTrust Westgate II  
CITY OF AUSTIN  
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 2  
AGENDA DATE: 12/9/2010  
PAGE: 1 OF 2**

**SUBJECT:** Approve the negotiation and execution of an Acquisition and Development Program loan to AUSTIN PEOPLETRUST in an amount not to exceed \$1,250,000, to assist with the acquisition and development of approximately 7.0 undeveloped acres of land, located at the corner of Westgate Boulevard and Cameron Loop, to facilitate construction of 50 new single-family attached condominium homes to be sold to low- and moderate-income buyers.

**AMOUNT & SOURCE OF FUNDING:** Funding is available in the Fiscal Year 2010-2011 Capital Budget of the Austin Housing Finance Corporation.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING  
DEPARTMENT: Austin Housing Finance Corporation**

**FOR MORE INFORMATION CONTACT:** Elizabeth A. Spencer, Acting Treasurer, Austin Housing Finance Corporation, 974-3182.

**PRIOR BOARD ACTION:**

**PRIOR COUNCIL ACTION:**

Approval of funding will assist Austin PeopleTrust ("PeopleTrust") with the acquisition and development of 50 new single-family attached condominium units at Westgate Boulevard and Cameron Loop.

**Funding Request**

- The \$1,250,000 requested will fund the acquisition of the property and a portion of the pre-development and infrastructure costs. If approved, Austin Housing Finance Corporation (AHFC) funds will represent \$25,000 per unit.
- Estimated sources and uses of funds for the project are as follows:

**Sources:**

Private Financing	\$4,852,276
AHFC Funding (G.O. Bond)	<u>1,250,000</u>
<b>TOTAL</b>	<b>\$6,102,276</b>

**Uses:**

Pre-development & Infrastructure	\$1,058,905
Acquisition	1,121,888
Home Construction Costs	3,248,000
Soft & Carrying Costs	<u>673,483</u>
<b>TOTAL</b>	<b>\$6,102,276</b>

The requested funding is available in Fiscal Year 2010-2011 capital budget allocation for the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable ownership housing for low- and moderate-income households and persons with special needs.

Following AHFC Board approval, an Acquisition and Development Program loan will be negotiated and executed with PeopleTrust in an amount not to exceed \$1,250,000. Under the proposed loan terms, the AHFC is requiring a 99-year affordability period.

#### **Project Characteristics**

- The homes will range in size from 900 square feet to 1,200 square feet, and will be priced from \$95,000 to \$125,000.
- This type of attached product will provide a denser, more affordable option for working families, and similar developments exist in the neighborhood.
- To preserve long-term affordability, PeopleTrust will administer and manage a shared equity homeownership program to ensure that eligible households occupy the units and to manage re-sales to ensure future buyers are also income eligible.
- Home construction will be done by Peoples/Howell 2, LLC, a company affiliated with Wes Peoples, a local builder and developer, and past president of the Homebuilders Association of Greater Austin.

#### **Population Served**

Families served by this development will have incomes at or below 80 percent of the Austin area Median Family Income (MFI), currently \$59,050 for a family of four.

In addition, PeopleTrust will offer Easter Seals Central Texas, Inc. ("Easter Seals") the opportunity to purchase 10 units and rent them to its clients, generally very low-income persons with disabilities. Easter Seals' acquisition of the homes is likely subject to receiving a direct grant from HUD which provides acquisition financing and operating funds for housing for persons with disabilities. This particular grant from HUD, known as a Section 811 grant, will provide rent subsidies for a period of 40 years. Three such grants have been awarded to United Cerebral Palsy of Texas, Inc. which merged with Easter Seals in 2009.

#### **The Applicant**

Austin PeopleTrust is a 501(c) (3) non-profit organization whose mission is dedicated to creating and maintaining affordable housing in Central Texas. PeopleTrust managed the affordability component of 135 new affordable homes in the RMMA Re-development Area.

**CIP BUDGET  
FISCAL NOTE**

**Date of Board Consideration:** 12/09/2010  
**Agenda Item:** PeopleTrust Westgate II  
**Division:** Real Estate and Finance Development

**SUBJECT:**

Approve the negotiation and execution of an Acquisition and Development Program loan to AUSTIN PEOPLETRUST in an amount not to exceed \$1,250,000, to assist with the acquisition and development of approximately 7.0 undeveloped acres of land, located at the corner of Westgate Boulevard and Cameron Loop, to facilitate construction of 50 new single-family attached condominium homes to be sold to low- and moderate-income buyers.

**FINANCIAL INFORMATION:**

Parent Project Name: 2006 General Obligation Housing Bonds  
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 48,350,495.00
Beginning Available Balance	\$ 5,196,267.18
De-obligation of funds for Stoneridge Apartments	\$ 710,350.00
Available Balance	\$ 5,906,617.18
Amount of This Action	\$ 1,250,000.00
Remaining Balance	\$ 4,656,617.18

Use of Remaining Balance:

Remaining funds will be used for future eligible projects.

Chief Financial Manager  
(over AHFC Finances)

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Signature: Alex Zamora Jr. Date: 12/09/2010